



***“PEP should consider providing more resources and support for capital access and contracting opportunities, which are essential for (PEP graduates’ startup) business growth.”***

Harvard Business School strategy professor Michael Porter’s insightful analysis of PEP brought forth a key recommendation: “PEP should consider providing more resources and support for capital access and contracting opportunities, which are essential for (PEP graduates’ startup) business growth.” We are very honored by the supportive work of Professor Porter and his thinktank ICIC.

The essence of the ICIC conclusion that justified their call for more investment in PEP’s “startup ecosystem” included a remarkable 794% economic impact resulting from the success of two distinct segments within PEP at the heart of their study: intra- and entrepreneurs.

More to the point, it was the PEP entrepreneurs in particular--- comprising just 19% of the 357 sampled graduates in Porter’s study---- that generated a remarkably outsized 39% of the overall economic impact. And led the ICIC team to dig deep to understand the underlying drivers of the value of PEP’s focus on successful entrepreneurship.

**Power of Community:** Returning citizens who remain in community alongside volunteer startup business mentors exhibit significantly higher rates of overall success.

**Economic Ripple Effect:** Post-release startup entrepreneurship creates a positive ripple effect through job creation, taxes paid, and a host of community benefits.

**Reciprocal Empowerment:** Returning citizen businesses have a much greater willingness than the broader business community to hire and empower their fellow returning citizens.

Porter’s formal study affirmed PEP’s formative understanding of the value of our “startup ecosystem” and the enhanced value of building out our space for business acceleration and incubation---a place we call the PEP Collider!

Our first Collider, located in Houston’s East End Maker Hub, is a space specially designed to encourage convergence and cohesion between our graduates and executive volunteers. But more than a physical space, the Collider is an intentional process that nurtures the following participant-volunteer interactions at the core of PEP’s ecosystem:

**Expanded Education:** Offering comprehensive entrepreneurship education.

**Mentor-Match Pitch Events:** Facilitating connections between participants and mentors.

**“Shark Tank” Competitions:** Attracting social impact investors and mentors.

**Entre Capital:** Providing in-house commercial lending services through our CDFI.

**Support Services:** Offering warehousing, bookkeeping, and back-office support services.

To scale the Collider’s impact and drive a higher business formation rate with improved long-term success, PEP is seeking to grow our dedicated Collider team.

We anticipate incremental costs of \$150,000 and \$232,000 in 2024 and 2025, respectively, to support the following key roles:

**Collider Manager:** Facilitating meaningful volunteer-participant interactions.

**Business Specialist:** Serving as a go-to resource to bridge the gap between theoretical classroom education and practical implementation.

**Warehouse Supervisor:** Overseeing shared space to store essential equipment and supplies for our businesses.

**This strategic investment is projected to lead to the creation of 21 new returning citizen businesses in 2024, scaling to 43 in 2025, at an approximate cost of \$6,000 per business. Your support in this endeavor will not only spur economic growth, but also empower individuals to build meaningful lives and careers, and contribute to stronger communities for all. Join us in igniting economic independence through second chance entrepreneurship.**